

D.P.U. 96-5C

Application of Fitchburg Gas and Electric Light Company:

(1) under the provisions of G.L. c. 164, § 94G and the Company's tariff, M.D.P.U. No. 199, for approval by the Department of Public Utilities of a change in the quarterly fuel charge to be billed to the Company's customers pursuant to meter readings in the billing months of August, September and October 1996; and

(2) for approval by the Department of rates to be paid to Qualifying Facilities for purchases of power pursuant to 220 C.M.R. §§ 8.00 et seq. The rules established in 220 C.M.R. §§ 8.00 et seq. set forth the filings to be made by electric utilities with the Department, and implement the intent of §§ 201 and 210 of the Public Utility Regulatory Policies Act of 1978.

APPEARANCES: Paul B. Dexter, Esq.
LeBoeuf, Lamb, Greene & McRae
260 Franklin Street
Boston, Massachusetts 02110-3173
FOR: FITCHBURG GAS AND ELECTRIC
LIGHT COMPANY
Petitioner

I. INTRODUCTION

On July 2, 1996, pursuant to G.L. c. 164, § 94G and 220 C.M.R. §§ 8.00 et seq., Fitchburg Gas and Electric Light Company ("Company") notified the Department of Public Utilities ("Department") of the Company's intent to file a quarterly change to its fuel charge in conformance with its tariff, M.D.P.U. No. 199, and to its Qualifying Facility ("QF") power purchase rates in conformance with its tariff, M.D.P.U. No. 82. The Company requested that both these changes be effective for bills issued pursuant to meter readings for the billing months of August, September and October, 1996. The matter was docketed as D.P.U. 96-5C.

Pursuant to notice duly issued, a public hearing on the Company's application was held on July 25, 1996, at the Department's offices in Boston. Notice of the hearing was published by the Company in the Fitchburg-Leominster Sentinel & Enterprise and the Worcester Telegram. The Company also complied with the requirement to mail a copy of the notice of the hearing to the Chairmen of the Board of Selectmen and the Town Clerks of the towns of Lunenburg, Ashby and Townsend, and the Mayor and City Clerk of the City of Fitchburg; to all persons with whom the company has special retail contracts that do not incorporate a filed rate; and to all intervenors and their respective counsel from the Company's prior two fuel charge proceedings. No petitions for leave to intervene were filed.

At the hearing, the Company sponsored one witness, Frank F. Farlik, director of

resource operations for UNITIL Service Corporation ("UNITIL").¹ The evidentiary record consists of one Company exhibit and the response to two Department record requests.

The Company owns and operates one generating unit, Fitchburg Unit No. 7, an oil-fired unit of approximately 28 megawatts ("MW"), and receives power under various arrangements from units operated by others. The arrangements include entitlement to 20MW of the New Haven Harbor unit in Connecticut, operated by United Illuminating Company; and one MW of the Wyman 4 unit, operated by the Central Maine Power Company; and Vermont Yankee and Millstone 3 which are discussed on page three of this Order. As found in its 1995 Annual Report to the Department, Fitchburg serves approximately 25,251 customers. In 1995, the Company reported revenue from retail sales of electricity of \$44,355,582.

II. FUEL CHARGE

On July 18, 1996, the Company filed with the Department its proposed changes to its fuel charge and QF power purchase rates for August, September and October 1996. For these billing months, the Company proposes a fuel charge of \$0.04308 per kilowatthour ("KWH"). The proposed fuel charge is \$0.00395 per KWH higher than the fuel charge of \$0.03913 approved by the Department in Fitchburg Gas and Electric Light Company, D.P.U. 96-5B (1996), for meter readings for the billing months of May, June, and July, 1996.

Mr. Farlik stated that there were two reasons for the increase in the proposed fuel charge (Tr. at 9). The first reason is the scheduled outage for the Vermont Yankee unit which provides

¹ UNITIL, an affiliate of Fitchburg, provides management services to the Company including the development of the Company's electric fuel charge.

ten MW of power. The replacement cost for the Vermont Yankee power is projected to be approximately \$202,000. The second reason is the continuing outage of Millstone 3, the unit which provides 2.3 MW. The replacement cost for the Millstone 3 power is estimated to be approximately \$103,000 for the months of August and September (id.). In addition to the replacement costs, the proposed increase in the fuel charge includes \$85,000 for increased fuel prices for oil and gas for the New Haven Harbor, Yarmouth and Fitchburg No. 7 units (id. at 10).

III. QUALIFYING FACILITIES

Pursuant to the Department's rules, 220 C.M.R. §§ 8.00 et seq. rates to be paid to QFs for short-run power purchases are set with the same frequency as the fuel charge. A QF is a small power producer or cogenerator that meets the criteria established by the Federal Energy Regulatory Commission in 18 C.F.R. § 292.203(a) and adopted by the Department in 220 C.M.R. § 8.02.

Pursuant to 220 C.M.R. § 8.04, the Company is required to calculate short-run energy purchase rates on a time-of-supply basis for two rating periods: peak and off-peak. In addition, the Company is required to calculate a non-time-differentiated, i.e., a total period rate, which is a weighted average of the time-of-supply rates, where the weighting is a function of the number of hours in each rating period. See 220 C.M.R. § 8.04(4)(b). The Company is also required, under 220 C.M.R. § 8.04(6)(b), to file its short-run capacity purchase rates, calculated on a KWH basis by voltage level, according to the formula in 220 C.M.R. § 8.04(6)(a).

The company proposed the following standard rates to be paid to QFs during August, September, and October 1996.

Energy Rates By Voltage Level (Mills/KWH)

<u>Voltage Level</u>	<u>Peak</u>	<u>Off-Peak</u>	<u>Total</u>
NEPOOL Trans.	27.43	17.70	21.93
Fitchburg 69KV	27.51	17.76	22.00
13.8 KV Subtrans.	27.76	17.92	22.20
Primary	29.67	18.44	23.31
Secondary	29.96	18.77	23.62

Short-Run Capacity Rates (Mills/KWH)

<u>Voltage Level</u>	
NEPOOL Trans.	23.15
Fitchburg 69 KV	23.23
13.8 Subtrans.	23.44
Primary	25.05
Secondary	25.29

IV. FINDINGS

Based on the foregoing, the Department finds:

1. that the fuel charge to be applied to Company bills issued pursuant to meter readings for the billing months of August, September, and October, 1996 shall be \$0.04308 per KWH.

(The calculation of the fuel charge is shown in Table 1 attached to this Order).

2. that the QF power purchase rates for August, September, and October 1996, shall be the rates set forth in Section III above.

V. ORDER

Accordingly, after due notice, hearing and consideration, it is

ORDERED: That Fitchburg Gas and Electric Light Company is authorized to put into effect a quarterly fuel charge of \$0.04308 per KWH as set forth in Section IV, Finding 1 of this

Order for bills issued pursuant to meter readings for the billing months of August, September, and October, 1996 subject to refund; and it is

FURTHER ORDERED: That the fuel charge approved herein shall apply to kilowatthours sold to the Company's customers subject to the jurisdiction of the Department and shall be itemized separately on all such customers' electric bills; and it is

FURTHER ORDERED: That the Company's Qualifying Facility power purchase rates for the billing months of August, September, and October 1996, shall be those set forth in the table on page four of this Order; and it is

FURTHER ORDERED: That the Company, in all future fuel charge proceedings, shall notify all intervenors and their respective counsel from the company's prior two fuel charge proceedings that it is proposing an adjustment to its fuel charge, and shall also notify these persons of the date scheduled for the hearing on the proposed fuel charge at least ten days in advance of the hearing; and it is

FURTHER ORDERED: That the Company, in all future fuel charge proceedings, shall provide all intervenors and their respective counsel from the prior two fuel charge proceedings with a copy of its fuel charge filing, in hand or by facsimile, on the same day it is filed with the Department; and it is

FURTHER ORDERED: That, pursuant to G.L. c. 164, § 94G (a) and (b), fuel costs allowed by this Order are subject to such disallowance as the Department may determine in any subsequent investigation of the company's performance period that includes the quarter applicable to the present charges.

By Order of the Department,

John B. Howe, Chairman

Janet Gail Besser, Commissioner

Appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part.

Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. (Sec 5, G.L. Ter. Ed., as most recently amended by Chapter 485 of the Acts of 1971).

TEAR-OFF COVER SHEET
MEMORANDUM

TO: John B. Howe, Chairman
Mary Clark Webster, Commissioner
Janet Gail Besser, Commissioner
Michael Ernst, Acting General Counsel

FROM: Margaret A. Lynch

RE: Fitchburg Gas & Electric Light Company. D.P.U. 96-5C

DATE: July 30, 1996

ACTION SOUGHT: Signature of the Commissioners

DATE DUE: Flexible ☐ Inflexible ☒

CC:

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SUMMARY Routine fuel charge and QF approval.

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RESPONSE: Please return tear-off sheet to _____

From: _____

☐ I agree with suggested action

☐ I disagree with suggested action

☐ Please schedule discussion at exec session

☐ Other (EXPLANATORY COMMENTS:)

